

Great West 579

TO THE ENGLISH STOCKHOLDERS OF THE GREAT WESTERN RAILWAY OF CANADA.

GENTLEMEN,

Even a Canadian may, perhaps, be pardoned for assuming the liberty of addressing his brethren, though three thousand miles Eastward, "beyond the great waters" that separates us. Separated, though we are by space, it is the more pleasing to reflect, that we are closely bound by the strong ties of congenial hearts, by old cherished associations, and by inseparably connected interests. The writer is a Canadian by birth, yet a Briton in all that pertains to Britain, as most Canadians are; I am a brother Stock-holder in the "Great Western Railway of Canada," about which I am about to address you. So far, then, as this is concerned, my interests are your interests, and your interests my interests. I have used the singular pronoun "I," as if it were but my interest alone, I sought to promote or rather protect but I might as well say at the onset, that the sentiments I express are but the reflections of hundreds of the best informed, most cautious and prudent Canadian stock-holders.

Gentlemen, we ask you to come forward manfully and protect your own interests, and while you are performing that duty, remember you are conferring a double blessing by assisting us to protect ours. We address you as practical men. We are well acquainted with the resources of the western portion of the continent of America, and particularly with that portion of it, which the interest of the Great Western Railway necessitates us to speak. We are no wild theorists; nor is it a vain emulation that induces us to lay our complaints—our mutual complaints humbly at your feet. We have been raised on the scene of action. We have traveled over the Hills and Plains whose products are to support the undertaking in which we are all so deeply interested.

We have none of the powerful weapons (*Money*) which *may* be applied to accomplish the designs of the selfishly interested. But we come honourably before the thinking, considerate, and interested parties, and should no relief be granted, we shall sell out our stock, as hundreds of others will do, to the highest bidder, and retire with contempt from any participation in an undertaking, the interests of which we have ever strenuously sought to promote; believing

is the *reckless* construction of *Branches*. There are other considerations connected with these branches which, to consider, would increase this paper to too great a length for an ordinary newspaper article. We shall first notice the branches--their importance--their prospects--their mode of construction, and its justness.

The first Branch completed is the "Galt and Preston Railway," a distance of some fifteen miles; this is intended simply to accommodate and develop the resources of this locality, as its northern terminus is at a small village of, say 1000 inhabitants, with no prospect of its ever doing a through traffic, consequently its business must be confined to a small area of country, and destitute of any traffic more than that furnished by a small rural district; nevertheless the Canadian directors were induced to avail themselves of this opportunity to expend the funds of the stockholders of the Great Western in its construction.

From the intersection of this Branch with the main line, to Brantford, a distance of some Ten Miles is an other Branch; this is to be a very expensive line, as its route is crossed by ravines and hills, and when completed will be no advantage to the Great Western, but a very important disadvantage; because, 1st. All passengers who would travel over the Great Western from Brantford to Hamilton, do so now by taking the G. W. cars at Paris. 2nd--All Freight destined for the same point could, (as is now the case,) be loaded on the Buffalo and Brantford Cars at Brantford, thence via Paris to Hamilton, on the Great Western Railway, the roads being the same gauge, and the distance we would carry either passengers or freight would be about equal, after we had spent several Hundred Thousand Pounds in its construction as a competing line with the Buffalo, Brantford and Goderich Railway, besides keeping the road in repair, with all the attendant expenses, Stations and Officers. Every consideration shows it to be to our disadvantage, to expend one penny in such an undertaking;—the advantage would be to the Town of Brantford;—then why not allow that Municipality, which is to be benefitted, pay for its construction? Are we supposed to be under any obligations to build a railway to every man's door who may flatter himself he has claims on our sympathy? are we to allow some of our extravagant Canadian directors to construct railways to every hamlet and village because they possess a flattering official? nay, verily! but so long as we are represented by supercilious, ambitious and grasping directors, so long we may expect to pay dearly for their incapacity.

Further West is the "Woodstock and Lake Erie Railway." Every disinterested person can only look upon this as a *gigantic swindle*, should it be proceeded with on account for the Great Western. All who know anything about the travel and commerce of this Western peninsula of Canada, know that it is exclusively East and West: whence, then the necessity of constructing a railway here at a cost of nearly \$4,000,000, where there is not the remotest prospect of it paying anything? Again, we would ask, where is the prudent man to be found who will say that this, completed, would be any advantage to the Great Western Railway? We answer in the negative, because *we know*. We are acquainted with every rod of country through which these branches run. We know the tendency of trade and commerce, and we know, consequently, they must be failures.

Next westward is the "Sarnia Branch," running a distance of nearly sixty miles, which will cost between two and three millions of dollars. This, as its name indicates, connects Sarnia with the main track, a village of some one thousand inhabitants. Many of the Stockholders here were sanguine that this branch had been wisely abandoned to the "Grand Trunk," when operations ceased in 1853; but to the mortification and disapprobation of a large portion of the Canadian Stockholders, they learn that active operations are to be resumed in 1856. Its most sanguine friends say they are aware it will not pay; yet, with this fact before them, and having the interest of the Stockholders to protect, they deliberately proceed to expend three millions of dollars of the Stockholders' money, not with the expectation that it will be judiciously expended.

This branch runs through a country almost entirely new, and to points of very little importance,—a country which will do little towards furnishing travel and traffic from which to estimate dividends. Detroit is the centre of the commerce of Michigan, from which railways and other roads are radiating in almost all directions; and it is as necessarily the emporium of the trade of that State. It would be vain enough, therefore, to calculate largely on much traffic from that source, in which case we should have to rely confidently on the resources of the village of one thousand inhabitants, and the rural country through which it runs, for support sufficient to make a road sixty miles in length pay a dividend, when twenty miles of that branch runs within twelve miles of the main track. To argue thus, Gentlemen, is to argue strongly against common sense. and be assured more strongly against our interests.

But another important consideration is pressed upon our attention with regard to this branch to Sarnia. The Grand Trunk Company have a charter to run their line to Sarnia also, which they are pledged to the country to do. It was with this understanding and *no other*, that they succeeded in getting the Provincial aid in 1855. That work is essentially a Provincial work, although aided by private capitalists, and so long as there is a work of the citizens of the country which is more intended to open and develop the resources of the country, than to pay a dividend on the capital invested, why not act prudently, and allow that company to construct their roads? It is argued that we have expended large sums of money already on this branch,—this is true; but how much better to repent now before any larger sum is *squandered*, than to pay the whole \$3,000,000 and then repent, which we certainly will do, if we proceed with the expenditure. If we have been *misrepresented*, instead of being represented heretofore, the knowledge of that should induce us to act more prudently in time to come. But if we have expended large sums on this line, principally in paying surveyors and engineers, who devoted more time in teaching other industrious men how to play and “get their money easy,” and hiring Indians to hunt woodcocks and black squirrels, than was judiciously and prudently expended, we might be only too glad to be paid fifty per cent on our expenditure, and allow the Grand Trunk to assume our claims to the route without competition.

The Grand Trunk is five or six times as long as *our road*. Should both roads be constructed in sight of each another, for many miles, they might very well afford to run that portion which competed with ours, *free*, which has been threatened by our opponents; in which case it would be a blessing to the shareholders if the directors would embezzle our money: in the latter case we should have no contingencies hereafter; in the former, time would only increase them.

Gentlemen, Stockholders of England, at this very moment we write there is laying at Detroit and Windsor 300,000 tons of merchandise to be transmitted over this road. Complaint follows complaint. The fact is, there is more business to do than can be done. We have decidedly the best located line on the North American Continent, and it is our duty to preserve its superiority *intact*. If there is more paid up capital than is applied, how much better to expend it laying down a double track, which must be done ere long, and increase our facilities for doing the business we are eagerly sought to do—reduce the tariff 10 per cent and our business would increase at least 50. The most sanguine projectors of the Sarnia Branch do not claim that it will carry more than 20,000 tons of merchandise per annum, which; at \$2 per ton would give \$40,000 for freight, and 30,000 passengers at \$1.50 or 7s 6d. each, \$45,000—Total earnings \$85,000; from which we deduct the per centage allowed for repairs, working road, &c., &c., which leaves a net earning of \$52,000, which would make an applicable dividend of 1, 1-15 per cent, and should the Grand Trunk, also, construct theirs to Sarnia, we may expect about half this per centage.

We, Stockholders in Canada, subscribed for stock in the “Great Western Railway of Canada.” We paid up our instalments as they became due; we

reduce our stock in the whole road *far below par*. The aggregate length of the branches are as two to three to the whole length of the main track. They will be unbearable burdens. They will sap the foundation of the prosperity of this road; they will thus tend to shake the confidence Englishmen were wont to place in our railway system, an effect which would act injuriously in more ways than one. To this arrangement we Canadian Stockholders respectfully beg to decline. Take for example the Ontario, Simcoe and Huron Railway Stock—reduced to seventy per cent or thirty below par. This is a route possessing all the advantages, and very many more than the Sarnia Branch can claim, passing as it does through a splendid, well improved country, and its course studded with numerous towns and villages, almost any of which is more important than the *only one* to be connected by the Sarnia Branch at a distance of sixty miles. The madness, the wildness of the enterprise, the folly of furnishing money to the Directors to expend on this branch, is the subject which has called forth this appeal. And what will the Stockholders in England say if the Directors are furnished with funds to proceed recklessly in the construction of new Branches until our stock is reduced to a par with the Northern Railway, twenty or thirty per cent below par! Will they not then consider “prudence the better part of valor?” especially when they can only see the Railways or Branches on the splendidly painted canvass, and dividends estimated by parties more Theoretical than practical.

We ask you to look at the pitiable condition of many of the American railways where Selfishness and ambition were the only recommendations for the construction of branches. We appeal to you again. We ask you to look at the railway system of England. Were not many companies there ruined by using the stockholders money in building useless branches, and dreaming of dividends in vain! In many cases *knowing* they would not pay, but yet proceeding for the gratification of competing with other companies at the expense of the stockholders, or, perhaps, which was most generally the case, of showing their ability to allow *passion to rule common sense*, and to act as “the dog in the manger.” We ask you to look at the result of the Buffalo, Brantford and Goderich Railway, which is to terminate on the same Lake a short distance above the terminus of the Sarnia Branch; one half of which—and that too, decidedly the better half—has been in operation 18 months, and has *never yet been able to pay working expenses*. With this fact patent to the world, shall we sit in silence and allow our Directors to expend \$3,000,000 in the construction of a road precisely similar, and if there is any dissimilarity, it is certainly not in our favor? Shall we remain docile and allow the Directors to manufacture the stock which we now hold in the G. W. Railway *proper*, into stock in this most useless of branches? Nothing but a recklessness to our own interests will induce the stockholders to consent to the *job*. We repeat,—the people of the country propose to construct their line to the same point, they do so with the intention of the better developing the resources of the country, by no means with the expectation of its paying a direct or applicable dividend. Let us abandon the Sarnia branch immediately. Expend no more funds. Hard as this may seem, it is far better than to proceed to open a line which will only continue to be a burden, and let us apply ourselves to perfecting the main line—increasing our facilities for commerce, and keep pace with the wholesome progress of the age.

We repeat we are your friends and brethren. We ask you to protect us; by doing this you will protect yourselves. Come to a stand. Advance no more money for the construction of branches. Then we are safe. If we transgress we must be punished. There is a rivalry and a mania here. We ask you to come to the rescue. Induce your directors to withhold the funds destined, otherwise, to be squandered on these branches, especially the last named, and thus put a stop to this wild and enormous extravagance.

A CANADIAN STOCKHOLDER.